



JENNIFER M. GRANHOLM
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LABOR & ECONOMIC GROWTH
LANSING

KEITH W. COOLEY
DIRECTOR

To: State and Eaton County Boundary Commissioners

From: Christine Holmes
Commission Specialist

Date: August 19, 2008

Subject: **ADJUDICATIVE SUMMARY: DOCKET #07-AP-7**
Petition Proposing the Annexation of Certain Territory
in Oneida Charter Township to the City of Grand Ledge

This docket summary is based on information from the record to assist you in your adjudicative deliberation and decision-making, based upon the statutory 18-point evaluation criteria:

1. The property consists of 8.48 acres. An apartment complex currently exists on the subject property and houses 120 people.
2. One of the issues of discussion at the public hearing on Docket #07-AP-7 (Oak Tree Village) was the annexation and terms of an Act 7 Agreement for the Independence Village property (approximately 10 acres for a retirement community and 1.7 acres for a retention basin), which is located directly north of, and contiguous to, the Oak Tree Village property. The Independence Village property was annexed to the City of Grand Ledge by the Boundary Commission in November 1999; however, the PA 7 Agreement that was negotiated during that docket proceeding provides only for a tax sharing arrangement. *[Public Act 7—the Urban Cooperation Act of 1967—basically provides the standards for interlocal public agency agreements in the equitable sharing of revenue and financing on real or personal property. Legal counsel for SBC is not aware of any provisions in Act 7 that authorize a boundary adjustment.]* According to the Findings of Fact on Docket #98-AP-7, construction of Independence Village was scheduled for completion in July of 1999. However, during the docket proceedings, the Commission postponed adjudication on three occasions, within a four month period between March and June 1999, to allow the parties time to negotiate the Act 7 agreement. The docket record for #98-AP-7 also reports that, during the negotiations on the Act 7 agreement, “the City agreed to allow the petitioner to connect to water and sewer services without paying the additional costs to township properties as provided in the sewer and water agreement.” The Boundary Commission voted

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unanimously to recommend approval of the Independence Village property for annexation, subject to the execution of the Act 7 agreement between the City of Grand Ledge and Oneida Township. Annexation of the Independence Village property was ordered by the Department director in November 1999. A copy of the Act 7 agreement that was filed with the Office of the Great Seal/Secretary of State on January 13, 2000, is included in the 30-day material received on May 6, 2008 from the City's legal representative.

The PA 7 agreement specifies that the City will share property tax revenue with the Township on Independence Village for forty years after its execution, until January 11, 2040 (the expiration date). Also, according to the terms of the Agreement, it was the "desire" of both the City and the Township "to provide for and to promote the economic development of Independence Village...for the mutual benefit of the citizens of both the City and the Township;..." Further, Article II (Section 2.1 - B) of the agreement refers to "additional property, contiguous to Independence Village, may be added to this Agreement..." and "that any additional territory added pursuant to this paragraph shall be annexed from the Township to the City by mutual resolution..., plus any additional territory which may subsequently be added, shall be collectively referred to as the **"Annexed Lands."** Any reference to the Oak Tree Village property is not found in relation to that language.

3. Twenty year population growth (1980 – 2000*)

City: 893

Township: 325

* based on federal decennial census

4. Population density:

City: 2,199 popu/sq. mi.

Township: 108.9 popu/sq. mi.

Oak Tree Village: 14 persons/acre (120 people reside on 8.48 acres).

5. The 2007 SEV of the area proposed for annexation: \$1,318,000.

6. The taxable value of the subject property: \$1,067,400.

7. SEV (Real and Personal):

	<u>2007</u>	<u>2006</u>	<u>2005</u>
City of Grand Ledge	(not provided)	244,372,775	222,446,470
Oneida Township:	\$276,482,260	182,261,800	167,301,200

8. Unit Millage:

City of Grand Ledge	<u>2007</u>	<u>2006</u>	<u>2005</u>
Operating	8.0650	8.1023	8.1261
Recreation	0.8062	0.8100	0.8124
Street	<u>2.4193</u>	<u>2.4305</u>	<u>2.4376</u>
Total	11.2905	11.3428	11.3761

1.1544 Library
2.9566 Grand Ledge Area Emergency Services Authority

Oneida Township

General Fund	<u>.9004</u>	<u>.9023</u>	<u>.9106</u>
Total	.9004	.9023	.9106

9. Fire and emergency service is provided through an agreement (Grand Ledge Area Emergency Services Authority) between both units of government by a special millage. The City's firefighter compliment consists of 10 full-time and 7 volunteer. The Township's firefighter compliment consists of 10 full-time and 20 volunteer.
10. Underwriters rating for fire:
City: 5
Township: 9
11. The City's police department consists of 15 full-time and 2 part-time officers. The Township contracts with the Eaton County Sheriff Department.
12. The **Petitioner** states:
- a. The petition was filed in order to obtain water services at a significantly reduced cost and the benefit of city police protection. Public sewer is already provided to the property by the Township, through agreement with the City of Grand Ledge, without any difference in cost between city and township location.
 - b. They were not aware of other alternatives to annexation.
 - c. Although Mr. McGhie was not directly involved in the PA 7 negotiations in 1999, it is his belief that both the annexation and PA 7 negotiations involving the Independence Village property was not a simple agreement to start with, but rather quite contentious to get it annexed in the first. It is his understanding that the Oak Tree Village property was not included because the ownership company at that time did not want to go through another annexation fight at that time.
 - d. The Oak Tree Village and the Independence Village are apartment communities that are basically city projects, but sister projects as well.

- e. Current use is consistent with Independence Village, and the level of population density similar to that of Independence Village.
- f. Annexation of the subject property would cause little or no harm to the community or to Oneida Township, but would be of great benefit to Oak Tree Village and Independence Village.
- g. Over fifty percent of Oak Tree Village residents are senior citizens, and many of them utilize the services at Independence Village. Although Oak Tree Village rents to all ages, the original design of this apartment complex was intended for seniors, who would then move into Independence Village at some later date. The Oak Tree Village complex is more senior oriented than a normal apartment complex--it does not have much in the way of playgrounds, etc.
- h. The surrounding area is fairly well developed, with established single-family residential subdivisions along the corridors of Saginaw Highway and Hartel Road.
- i. Most of the community assumes that Oak Tree Village and Independence Village are one in the same or similar projects.
- j. City jurisdiction of the subject property would enhance initial interest from future investors.
- k. If the subject property is annexed, a 50 percent reduction in water rates versus the increase in taxes is basically a wash.
- l. Without annexation of the subject property, the Oak Tree Village and the Independence Village communities would continue to be fragmented, particularly with regard to police protection, and Oak Tree would continue to pay significantly higher water rates.
- m. It makes sense that Oak Tree Village would be annexed into the City of Grand Ledge. With Independence Village already in the City, services would be unified and the current boundaries would be squared off.

13. City of Grand Ledge states:

- a. Support for the proposed annexation.
- b. The subject property is developed and, from a reasonable point of view, is part of the urbanized area of the City of Grand Ledge, which would fairly be paying the city tax rate and paying for the city services that it receives, just like the developed properties that are located inside the City.

- c. Annexation of petitioner's property will "square up" a boundary on W. Saginaw Highway and provide new growth in the form of commercial and residential development, e.g., added revenue, increased jobs, residents, and patronage of nearby businesses and services.
- d. The Act 7 Agreement did specifically contemplate the Township's future loss of the property currently proposed for annexation. This tax sharing agreement applies to any property added to the Agreement. The trigger is the property owner making a written request. For the Township to claim it is now somehow unfair or unjust for the petitioner to request annexation...is entirely contrary to the reasonableness being required of the Commission in this matter.
- e. Although the city police and county sheriff coordinate police protection, the city police station is located 1.1 miles from the subject property. The county sheriff provides an average of 3.5 patrol hours to the entire 33 plus square miles of township per day. It is the understanding of the City that the petitioner prefers full-time city police as the first responder over the current coverage of a part-time and on-call county sheriff.
- f. A City well-field, which is located just off Saginaw Highway and adjacent to the subject property, is the origination of all of the City's public water supply.
- g. The City of Grand Ledge can easily continue to serve the property and provide all the necessary services.
- h. The City does not agree with the Township's assertion that there is no need for additional public services to the subject property. Other services that can be provided by the City include professional planning and development staff, street lighting, and lower cost public water, and sanitary sewer.
- i. The City already provides water and sewer to the area proposed for annexation, and full services to the adjacent Independence Village property including, but not limited to, police, fire, emergency, medical, planning and zoning, tax assessment, municipal water, and sanitary sewer.
- j. If the subject property is annexed, the Township will lose \$961.08 in tax revenue.
- k. A proposed new development on 7.35 acres of the subject property is consistent with established land use plans.

7. Oneida Township states:

- a. Opposition to the proposed annexation.
- b. The subject property is neither an area that would like to be developed nor one that needs city services that are not now being provided.

- c. Petitioner's criteria form misleadingly suggests that Oak Tree Village is connected with a senior citizen/retirement community to the north known as Independence Village. This suggestion is erroneous for several reasons (*see "a - b - c - d" on pages 5-6 of the 30-day material submitted by the Township*).
- d. They don't understand why "unification" is an issue now, as it was not an issue when the subject property was developed seven years ago. It was developed in the Township, with assistance, coordination and support of the Township. It was developed at a time when the sister property, as it has been referred to at public hearing, was developed by agreement in the City. For seven years, the Oak Tree Village and Independence Village properties remained side by side--one in the City and one in the Township--and the Township has never heard of any problems articulated about any issues in the delivery of service to those properties.
- e. The subject property could have been included when the PA 7 Agreement was negotiated.
- f. Any relationship of the area proposed for annexation with an adjacent subdivision is non-existent, as the two are different developments at separate times.
- g. Just because seniors live in the Oak Tree Village apartment complex is not a reason for annexation. Oak Tree Village is an apartment complex totally separate from the senior citizen complex. Although Oak Tree Village and Independence Village were built side-by-side seven years ago, the only connection is that both properties are owned by the same individual.
- h. The petitioner's opinion that the subject property would enhance initial interest from future investors is refuted by the fact that property values are higher for comparable property in the township because of the lower taxes in the township. For developed property like Oak Tree Village, a location in the city is an economic liability, not an advantage.
- i. Both the City and the petitioner admit, and the Township agrees, that there is no need for additional public services to Oak Tree Village that are not already being provided.
- j. There is no difference in the cost of sewer service for the Township and the City.
- k. Oak Tree Village has been receiving sewer and water services from the City since 2000, per the Water and Sewer Agreement executed between the City and the Township in 1980.
- l. Through the sanitary sewer and water service agreement, approximately 400 customers in the Township receive sewer and water; public water is not available to approximately 1,600 Township homes.
- m. The subject property is able to receive city sewer and water because the Township had the foresight to enter into an agreement with the City for which the Township has paid substantial dollars over the years. They have taken advantage of that and used it for the last seven years.

- n. Now that the City has imposed a moratorium on new extensions of sewer into the Township, it is all the more reason why those few extensions that the Township has been able to garner should not be ripped away from the Township. Those who have already connected to sewer at the cost of the Township should remain in the Township.
- o. Any cost difference between the City and the township is for public water, not for sewer.
- p. The \$5,274 decrease in the water rate to Oak Tree Village would more than be offset by paying an increase of \$14,880 in property taxes if the subject property were annexed.
- q. To allow annexation would deprive the Township of the benefit of the sewer and water agreement.
- r. Sewer, water, fire, and police services are available whether the property is in the City or the Township.
- s. The county sheriff's satellite office, located in the Oneida Township Hall, is only one mile from the subject property, which is approximately the same distance as the city police department, and they would not be delayed by city traffic and intersections. The 911 dispatch is the same for both units and dispatches the closest available unit to the scene.
(Note: the distance of one mile for the county sheriff from Oak Tree Village was provided in the Township's 7-day material and by the Township at the public hearing. However, the Township questionnaire indicates that the sheriff station which now provides protection to the area proposed for annexation is three miles.)
- t. Annexation of the subject property would result in an annual loss to the Township of \$1,100 in property taxes and \$8,000 in state revenue sharing.
- u. The subject property is 10% of the Township's commercial SEV.
- v. Annexation of property after it has been developed in the Township would not only have a negative effect on future development, but also deprive the Township of the ability to plan for its future physical and financial growth.
- w. The Township is willing to engage in discussions with the City to possibly reach an agreement regarding the subject property, but the City must recognize that the 2000 Agreement was designed to deal with undeveloped property, and Oak Tree Village is a fully developed project. Any agreement for Oak Tree Village would need to reflect these different circumstances or the parties will be unable to reach an agreement.
- y. Township residents feel this petition is another land grab by the City of Grand Ledge.